

WESTOVER CAPITAL ADVISORS, LLC

ASSET & WEALTH MANAGEMENT

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WESTOVER MUSINGS

Here is a bit of general information regarding our clients' stock portfolios, as well as a strategic thought with respect to the automotive industry.

Musing #1

The volatility the stock markets have experienced over the last six months has dramatically lessened recently. As a consequence, and in order to reduce the nightmare that is called for from a data entry perspective with respect to the setting of stop losses, I have determined to remove them from 95% of all large-caps and 5% of mid- and small-caps.

Consequently, you will receive a number of notices which will appear to be sales or purchases of stock. They are not. It is merely the cancellation of open and existing stop order instructions. Don't panic. Everything's fine. It may appear, unless you read your statement carefully, that Westover has become a Trading Fiend. It ain't so, Joe!

Musing #2

I can't believe that my expensive car requires gas at \$4.14 per gallon. I actually bargained with myself by going to an out-of-the-way gas station and bought the mid-priced stuff for \$3.85 on Tuesday.

That was the same day that Nissan announced that it will sell an all-electric car in the U.S. of A. within two years. This would certainly put that automotive company ahead of all others in this respect. This bet by Nissan is that new all-battery technology will take on the internal combustion machine. If this gamble proves successful it will radically alter our need for gas. The thought occurred to me that none of America's Big Three could possibly get out of its own way in time to do the same by 2010.

Nissan is an unusual company in that its CEO is Carlos Ghosn who is also the CEO of Renault. And how about this, Renault-Nissan also announced on Tuesday it had signed an agreement with an Indian motorcycle manufacturer to produce the world's cheapest car, expected to cost about \$2,500 before taxes.

Just think, we could soon drive a car that doesn't require fossil fuel or a new car that costs much less than a Harley Davidson motorcycle.

Do you know what this says to me? That capital markets and competition are fantastic economic drivers. The competition for ideas and their implementation is what makes our American enterprise system the strongest and the best in the world. Will Mr. Ghosn be successful with either or both of these bold initiatives? I haven't the faintest idea, but if so, there will be indeed a whole new paradigm when it comes to driving. And the days of \$4.00 per gallon gas will be a thing of the past.

May 15, 2008